

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2650-01
Bill No.: SB 723
Subject: Arts and Humanities; Economic Development Department; Parks and Recreation;
 Tourism
Type: Original
Date: January 8, 2002

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|--|-------------------------|-------------------------|-------------------------|
| FUND AFFECTED | FY 2003 | FY 2004 | FY 2005 |
| General Revenue | \$0 to (UNKNOWN) | \$0 to (UNKNOWN) | \$0 to (UNKNOWN) |
| Cultural Tourism Development Fund | \$0 | \$0 | \$0 |
| Total Estimated Net Effect on <u>All</u> State Funds* | \$0 to (UNKNOWN) | \$0 to (UNKNOWN) | \$0 to (UNKNOWN) |

***Subject to Appropriation, costs expected to exceed \$100,000 annually**

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2003 | FY 2004 | FY 2005 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|-----------------------|-----------------------|-----------------------|
| FUND AFFECTED | FY 2003 | FY 2004 | FY 2005 |
| Local Government* | \$0 to UNKNOWN | \$0 to UNKNOWN | \$0 to UNKNOWN |

***Subject to Appropriation, income expected to exceed \$100,000 annually**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development (DED)** state this proposal would establish the “Cultural Tourism Development Program”, wherein the Department of Economic Development (Community Development, Division of Tourism and the Missouri Arts Council), the Department of Transportation, the Department of Natural Resources and the Secretary of State’s Office would collaborate to award grants and loans to qualifying projects, for the purpose of increasing, developing and enhancing visitor experiences in Missouri which are involved with artistic, heritage or historical offerings and are important to the state’s economy.

The DED assumes that this proposal would be implemented in their office. The DED also assumes that the grant and loan program would be established at up to \$2 million annually. The DED requests three (3) FTEs to administer this program; one (1) Community Development Program Specialist (at \$40,716 annually) to oversee the new program by developing guidelines, managing the program and supervising staff, one (1) Community Development Field Representative II (at \$36,012 annually) to assist in promoting this new program, and one (1) Clerk Typist II (at \$20,472 annually) to provide clerical support.

Oversight assumes that since program funding and associated costs are subject to appropriation, the estimated fiscal impact of this proposed legislation is unknown at this time.

Officials from the **Department of Natural Resources (DNR)** assume their involvement as described in the proposed legislation would be providing input for the grant and loan program, developing criteria for technical assistance from the program and developing criteria for awards from the grant and loan program. DNR assumes this level of activity could be handled with existing resources.

The DNR also states, however, if the program requires a substantial increase in workload for the current staff of the Division of State Parks, Historic Preservation Program, the department may need to request additional resources.

Officials from the **Department of Transportation (MoDOT)** assume some minimal costs will be incurred by the department; however, MoDOT will be able to absorb the additional costs with current funding

Officials from the **State Treasurer's Office** and the **Department of Revenue** assume this proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of Secretary of State (SOS)** assume there would be costs due to

additional publishing duties related to the Department of Economic Development's authority to

ASSUMPTION (continued)

promulgate rules, regulations, and forms. SOS estimates the division could require approximately 32 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 48 new pages in the Missouri Register at a cost of \$23.00 per page. Costs due to this proposal would be \$1,968, however, the actual fiscal impact would be dependent upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years is unknown and depends on the frequency and length of rules filed, amended, rescinded and withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

| <u>FISCAL IMPACT - State Government</u> | FY 2003 (10 Mo.) | FY 2004 | FY 2005 |
|---|------------------------------------|------------------------------------|------------------------------------|
| GENERAL REVENUE FUND | | | |
| <u>Cost</u> - Appropriation to Cultural Tourism Development Fund | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| <u>Costs</u> - Department of Economic Development Personnel, Fringe Benefits, E & E | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | <u>\$0 to (UNKNOWN)</u> | <u>\$0 to (UNKNOWN)</u> | <u>\$0 to (UNKNOWN)</u> |
| CULTURAL TOURISM DEVELOPMENT FUND | | | |
| <u>Income</u> - Transfers from General Revenue Fund | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| <u>Costs</u> - Loans and Grants | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |

| | | | |
|--|---|---|---|
| <u>FISCAL IMPACT - State Government</u> | FY 2003 (10 Mo.) | FY 2004 | FY 2005 |
| ESTIMATED NET EFFECT ON CULTURAL TOURISM DEVELOPMENT FUND | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>FISCAL IMPACT - Local Government</u> | FY 2003 (10 Mo.) | FY 2004 | FY 2005 |
| <u>Income - Grants and loans</u> | <u>\$0 to</u> <u>UNKNOWN</u> | <u>\$0 to</u> <u>UNKNOWN</u> | <u>\$0 to</u> <u>UNKNOWN</u> |

FISCAL IMPACT - Small Business

One of the goals of the Cultural Tourism Development Program is “to increase the amount of tourism expenditures spent in Missouri and strengthen cultural tourism’s role as an economic tourism development vehicle.” Therefore, it should provide additional sales for small businesses. In addition, tourism-related businesses may benefit from the Missouri Cultural Tourism Development Grant and Loan Program.

DESCRIPTION

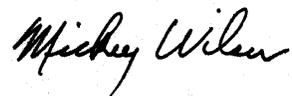
This proposal creates the “Cultural Tourism Development Program” within the Department of Economic Development. Goals of the program are to: 1) increase, develop and enhance visitor experiences associated with artistic, heritage and historical offerings in the state, 2) to increase the amount of tourism expenditures in Missouri, and 3) strengthen cultural tourism’s role in economic development. The program will provide technical assistance as well as grants and loans to municipalities, counties and regions of the state, not-for-profit groups and tourism-related businesses or business organizations.

The Department of Economic Development (Division of Tourism, Missouri Humanities Council, and the Missouri Arts Council) will work in conjunction with the Department of Transportation, Department of Natural Resources, Secretary of State's office, and other entities to administer the grant and loan program. No single award for a project shall exceed ten percent of the total awards for a single year.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Department of Revenue
Office of the Secretary of State
Department of Natural Resources
Office of the State Treasurer
Department of Transportation



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Acting Director
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